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The Newer Industrial Relationship Between Employer and Worker

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IS the Industrial World a Smoldering Fire?

This question has been smashed into my consciousness by the repeated hammer blows of the daily press, the weekly and monthly magazines, the screeching of the radical, the pleading of the social-minded, the threats of the workers and the pussy-footing of the employer.

To those who can see with their eyes closed comes the recurring picture of bursting flames carried by the prejudices, the sympathies, the ideals, the hatreds and injustices from town to town, state to state, country to country. Here and there in the midst of this chaos stands a "fireman" in a feeble attempt to put out his individual "fire," succeeding partially, but always endangered from the flying embers of his neighbor's conflagration.

Men of industry talk in whispers and there is a look of fear in their eyes as though they were sitting on the rim of an erupting volcano. From everywhere comes the cry of unrest, shouted from the housetops by the ranter, discussed academically by the learned professor, written of profusely by the theorist.

Capital says the question of unrest *should* be solved. Labor says the conditions that make for unrest *must* be solved. And all of this discussion is being piled mountain high, a smoldering fire, now bursting out into flame, now being controlled and at all times a veritable volcano, ready to spit its devastating, destroying lava over the earth. Go where you will, no matter where your destination or what your object, the subject of discussion eventually turns to the present day problem of capital and labor.

All types of men and women are giving serious thought to hundreds of minor differences that make up the major problems.

Captains of industry are meeting through trades, by localities, through Boards and Chambers of Commerce and have thrown their best resources in an attempt at a solution. National and international organizations have called together the great men of

this age for the purpose of spot-lighting the subject so that the world might learn of every movement forward.

Socially-minded men, men who are giving their lives unselfishly so that the world will be a better and a finer world for the fit and unfit, men who because they have no selfish interest in the controversy, are recognized as the "Neutral" in this great battle for human rights and social justice, are giving the very best they have in them in an attempt to bring the warring forces of industry to a realization of the obligations and responsibilities of each for the other.

Workers of every group, from common laborer to skilled mechanic, from the man in overalls to the highly paid executive, are thinking and talking in terms of a Fairer Day, a day when their voice will be heard in industry whether the service they render be one purely of brawn or of brain. Public officials of the cities, state and country have lent themselves freely in an attempt to prevent injustice from being done. Committees of every nature have reported and are still reporting, while sufficient legislation has been suggested to solve all the problems in the world.

Every movement forward that the world has taken has been pregnant in the minds and souls of people for years, yes ages, and the labor pains of each birth have been long, excruciatingly painful and exhausting, bringing with them death, sorrow, hatred, love and happiness. And so from all of this great expenditure of thought, energy, time and money must come some definite, concrete, satisfying result, though it be over the bruised maimed bodies of thousands of experiments, the loss of great sums of money, and the tearing down of present day conditions and so-called rights of men.

Have we started? Is there on the horizon of industry any evidence of a rising sun, the "Dawn of a New Day"? In Canada they are asking why capital and labor cannot be partners. In the early months of this year a commission was appointed, two of whom represented the public, two representing the employers and two representing the employes. In their report, they suggest that all changes should be made step by step, each step being based on experience as it is gained, but the general direction should be determined toward *health, happiness* and the prosperity of the workers.

The commission approved of the labor declaration in the Peace Treaty that "Labor should not be regarded as merely a commodity or as an article of commerce." If this basic principle, the report continues, was freely and frankly acknowledged by employers and acted on in good faith, it would go far to improve their relations with employes. The commission comments on the several proposals for Joint Councils:

The essential feature of all the proposals is that the human factor in industry is to be regarded as of first importance. They aim at improving the standard of comfort of the worker, by securing a greater measure of close co-operation between himself and his employer; of eliminating distrust and suspicion by full discussion of all the facts and circumstances pertaining to the industry. They tend to bring the employe and the employer closer together, and give each a better understanding of the difficulties which beset the other; give the worker a greater sense of responsibility by giving him a greater voice in the government of the industry, and thus bring about a permanent improvement in their relations.

The commission believes a beginning should be made with joint plant councils and more extensive organizations of district and national councils evolved therefrom as necessity arises. It suggests the following as suitable subjects to be dealt with by the council:

(1) Wage rates; (2) hours of labor; (3) plant conditions, such as safety, ventilation, light, sanitation, provision for meals, dressing rooms, shelter, etc.; (4) child and woman labor; (5) questions of discipline and conduct, as between management and work people; (6) conditions surrounding the worker outside the plant, such as education, amusement, recreation, health, housing, apprenticeship or special training, libraries, etc.; (7) improvement in the plant, or process to improve quality, increase production, decrease waste, etc., and rewards to those who suggest such improvements.

The following suggestions were made by the commission:

Legislation for a maximum day of eight hours.

Minimum wages, especially for girls, women, and unskilled labor.

Government action to relieve unemployment, through the building of public works.

Establishment of bureaus to promote industrial councils composed of employers and workers.

An immediate inquiry by experts concerning a system of proportional representation in parliamentary election.

State insurance against unemployment, sickness, invalidity, and old age.

Collective bargaining, with a recognition of unions by capital.

An opportunity for the poorest worker's child to reach the highest educational institutions.

That if the Dominion government has not power to legislate as proposed by the commission, a conference of premiers and other representatives of provincial governments, together with representatives of labor men and employers, be called to Ottawa at the earliest opportunity, that unanimity may be reached on these points, and to unify present provincial and Dominion legislation, bearing on the relations between employers and employes.

Evidently the Canadian government has had its ear close to mother earth and its eye on the actions of its citizens, for they are dealing with the whole question of labor and capital in the light of present day developments.

And again from an entirely different source is laid down a reconstruction program. At the Conference of American Rabbis held in Chicago, the following declaration of principles was adopted:

The next few decades will have as their chief concern the rectification of social and economic evils. The world will busy itself not only with the establishment of political, but also with the achievement of industrial democracy through social justice. The ideal of social justice has always been an integral part of Judaism. It is in accordance with tradition, therefore, that the Central Conference of American Rabbis submits this declaration of principles as a programme for the attainment of which the followers of our faith should strive.

1. A more equitable distribution of the profits of industry.
2. A minimum wage which will insure for all workers a fair standard of living.
3. The legal enactment of an eight hour day as a maximum for all industrial workers.
4. A compulsory one-day-of-rest-in-seven for all industrial workers.
5. Regulation of industrial conditions to give all workers a safe and sanitary working environment, with particular reference to the special needs of women.
6. Abolition of child labor and raising the standard of age wherever the legal age limit is lower than is consistent with moral and physical health.
7. Adequate compensation for industrial accidents and occupational diseases.
8. Legislative provision for universal workmen's health insurance and careful study of social insurance methods for meeting the contingencies of unemployment and old age.
9. An adequate, permanent national system of public employment bureaus to make possible the proper distribution of the labor forces of America.
10. Recognition of the right of labor to organize and bargain collectively.
11. The application of the principles of mediation, conciliation, and arbitration to industrial disputes.
12. Proper housing for working people secured through government regulation when necessary.
13. The preservation and integrity of the home by a system of mothers' pensions.
14. Constructive care of dependents, defectives and criminals with the aim of restoring them to normal life wherever possible.

The tongue of the industrial world was put into action when the speech of John D. Rockefeller, Jr. before the Chamber of Commerce of United States at their Atlantic City Convention, was made public. For a man so conspicuous as he to announce his belief in a newer relationship between capital and labor, a relationship that gave to the worker his say in the conditions under which he should work, was to invite the attention of every employer and every worker to the fact that the great industrial movement forward had been started.

The International Harvester Company's announcement of its new internal relationship with its working forces made those who had just begun to sense what was happening, "sit up and take notice." Not that these several plans or the hundreds of other plans that have been put forward are in themselves a complete solution, but they evidence clearly that we are on our way and that the world does move.

The employer of today who stands unaffected while the whole panorama of newer relationships and Working Conditions pass by, will soon find himself a most lonesome individual. The attempt on the part of any industry, or group of industries to make a deal with the worker in which he gives one in return for two will pay the penalty for having driven a bad bargain.

These newer working conditions must come, for thinking men both in the ranks of capital and labor are demanding that their interest shall be closer, that there must be more harmony and less strife.

Of the many ideas put forward to be incorporated into the *Ideal Plan*, most of them are of the merest detail and lack fundamental quality. Labor asks: What about?

Wages
Working conditions
Hours of labor
Safety
Settling of grievances
Collective agreements
Unemployment
Discharge
Rest periods, etc.

And capital asks: What about?

Safety of investment
Satisfactory return on investment
Absolute control of investment
Complete control of business.

Both capital and labor are entitled to a fair answer to these questions.

On the part of labor most of their problems can be solved by what should be termed Industrial Representation. Industrial Representation may be of a very limited nature or may be broad enough to lead right into the Director's Room. No matter how far reaching—whether it be a representation of the workers for the workers, or whether it be a representation of the workers on the Board of Directors, or both—the ultimate result will benefit all concerned.

That labor should be a factor in formulating standards for itself and the conditions under which it shall work is being recognized more and more every day. Who is better fitted to pass intelligent judgment on the important questions of labor than labor itself? The assumption of capital that labor would render selfish judgment is not backed up by the facts nor is it a reasonable conclusion, for we have passed bravely beyond the day when the goose that lays the golden egg is carelessly slaughtered. Labor, once it knows the truth and the limitations under which a particular industry is working, will be guided accordingly and if mistakes occur they will be no greater than those made by capital. It is time that labor took on some of the responsibilities of industry, but before labor can assume responsibility, it must be given responsibility clothed with authority.

There are so many kinds of Industrial Representation, so many interpretations of how they should be selected that it would be difficult to discuss any one plan. But in all cases, regardless of how they are to function, their selection should be on the most democratic plan. The representatives must represent labor, without a string or a limitation. And if it is deemed necessary to balance labor representation by company representation let it be in the open, so that all will know with what stick they are smeared. If we are to have Industrial Democracy, let us have

it pure and unadulterated. The man or organization that attempts to fool labor, to "put something over" on it, is only fooled in return. Labor can sense insincerity at a great distance and resents it as an insult to its intelligence.

All of the vital questions that labor asks can be thrown into the crucible of Industrial Representation without fear on the part of capital that any great advantage will be taken or any great injustice done. Capital always has recourse should any action taken be vital to its industry, and it should always be possible to reverse any judgment of this nature. There is no mystery in business. It is easily understood by the worker, for it is the worker who really conducts business, and questions of production costs, sales and overhead costs fall off the tongue of the average man with the same ease as a simple problem in arithmetic.

As for capital, the sooner it realizes its absolute dependence on labor and forms some sort of a partnership with it, the sooner will its investment be safe, its returns satisfactory. Control of investment and control of business can be left safely in the hands of the workers. The day of capital control of business is about to pass and in its place is to come employe control, employe management.

Large organizations whose directors hold their offices only because of their investment and not because of their particular fitness to pass intelligent judgment on the problems placed before them, are gradually beginning to realize that this sort of management is not conducive of the best interests of the organization. The day is not far distant when most boards of directors or properly named, boards of managers, will be composed almost entirely of those closely associated with the direct management of the business. Stockholder directorship must give way to worker directorship, just as large close corporations must open the doors of their stock subscription to their working organization. This has been done in so many cases with such satisfactory results that it is no longer an experiment but an acknowledged success.

In the last analysis who is most vitally interested in the success of an organization, the man who is dependent on the permanency of his position and the possibility it offers for advancement, or the person whose only interest is the amount of dividends that can be secured on his investment? Does it sound reasonable to suppose that a board of directors composed of workers from every

department of a corporation will be any more apt to make mistakes or act for their purely selfish interests than a board of stockholders who lack knowledge of the business and whose connection to the organization is a strictly financial one?

One of the great problems confronting industry today is to create interest in the work each individual is doing. Is there any one thing that will create more interest in a man's work than the knowledge that he is part and parcel of the organization he works for no matter how small his interest, no matter how far removed his representation?

Just wages for a job is not enough. There must be more than wages to satisfy the worker today. Paying wages never bought more than a man's brawn or brain activities.

Paying more than wages secures more than the value of either or both. It puts into action that something within every man that does things for the love of doing them. It speeds up the fingers. It makes more accurate the movements. It makes the brain think bigger and better thoughts. It turns what was formerly plain work, just a job, into a position.

Paying more than wages makes the workman like his work, takes the frown out of the natural grouch, makes the careless careful, saves time and creates happiness. Paying more than wages is an obligation, a duty that the employer owes every man who joins his organization, from the very lowest paid to the highest priced individual on the pay roll.

Another of the great problems of business is the horrible turn-over of labor. And why not under the present system? A wage scale is just a wage scale and a job is a job. If this labor turn-over is to be brought to a minimum, the worker must have some particular attachment, some other interest than his mere pay check in the organization he labors for.

We are entering into a period when the leaders in industry are not entirely satisfied with just a money return. There must be something more offered them than the opportunity of mere accumulation. The business that is just a "money maker" is not attracting the highest type of executive.

No man today prides himself on the fact that he has accumulated a lot of money. Visitors to our great institutions are shown the fine grounds surrounding the plant, the excellent lighting both

natural and artificial, the clean factory floors, the sanitary arrangements, the rest rooms, the First Aid hospital, the dining rooms and the safety devices for the prevention of accidents. They are told about the company's welfare plan, possibly their bonus system or their profit-sharing plan. The institution may be one of the great dividend paying organizations, but not one word is said about that. The company is prouder of the service it is rendering to its working organization or to the public than it is of its financial success.

There was a time when riches were counted in material things; the man with the most dollars was the richest man. Success also was counted in terms of dollars, and to be successful one had to have the powers of great money accumulation. This day is rapidly passing, for mere money means little, only as it spells itself out in service to humanity. The man who spends his life in piling dollars upon dollars will have to answer to a public educated to ask the most pertinent questions. And God help the man who cannot answer these questions to the satisfaction of the people.

In the days to come this attitude toward wealth will do much to bring about a better relationship between labor and capital. Captains of industry of the newer kind will go more than half way to meet the on-coming changed conditions.